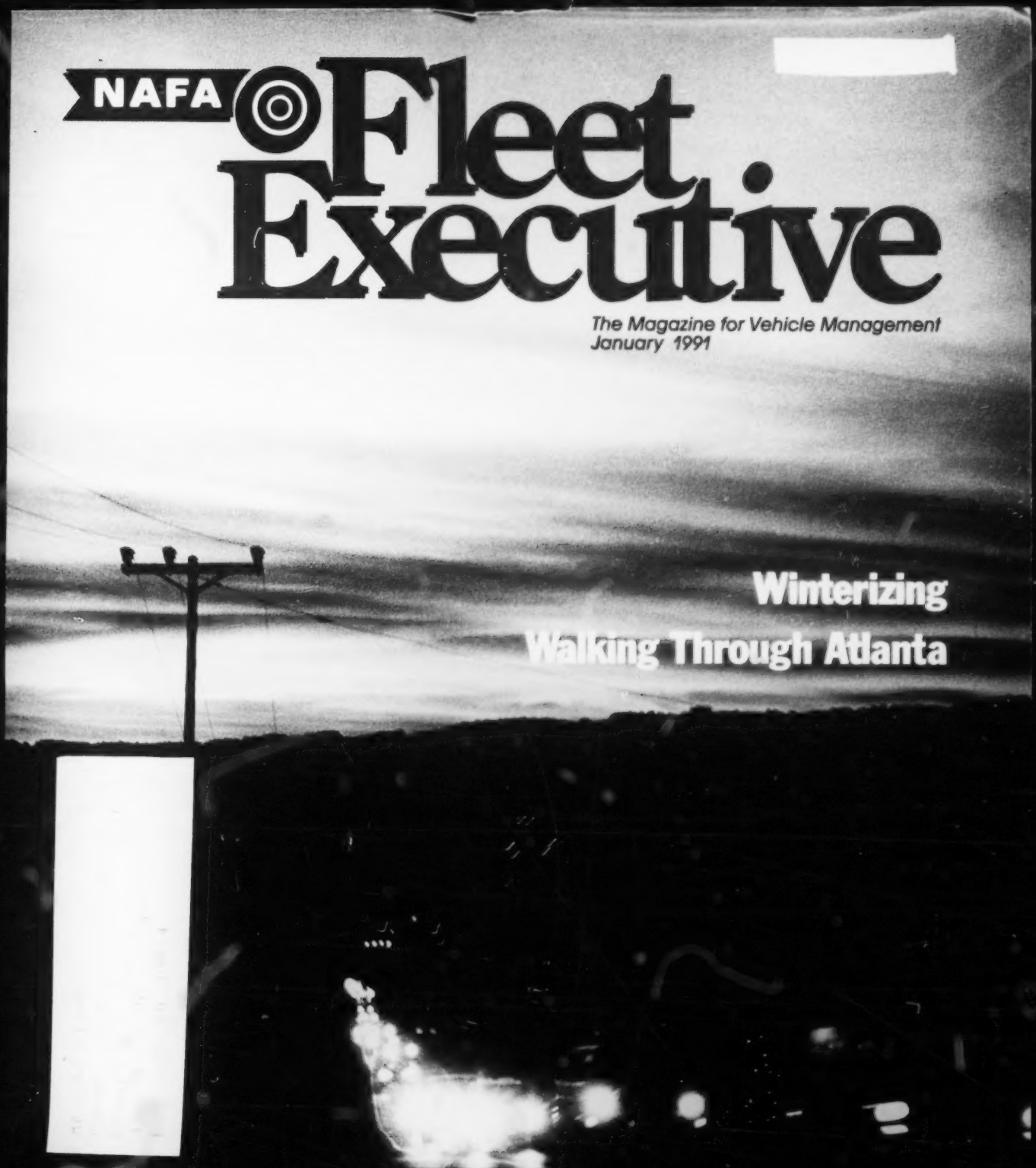
NAFA

Fleet Executive

The Magazine for Vehicle Management
January 1991



Winterizing

Walking Through Atlanta

1990 Used Vehicle Marketing Survey Results

For more than 30 years, the voice of fleet managers across the United States and Canada.

NAFA Fleet Executive

The Magazine for Vehicle Management

Volume 5, Number 1 *January 1991*

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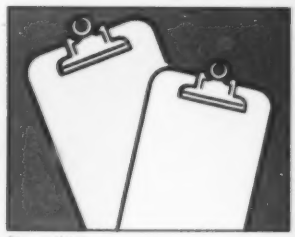

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NAFA's 1990 USED VEHICLE MARKETING

NAFA's 1990 Used Vehicle Marketing Survey received a total of 163 responses from United States (133) and Canada (30) fleet executives who administer a total of 131,328 vehicles (115,326 U.S., 16,002 Canada). Of those vehicles, 79,725 are company-owned and 51,603 are leased. These fleets are comprised of 75,258 automobiles (57%), 18,883 vans (14%) and 37,187 light duty trucks (28%).

How Long Are Vehicles Kept?

The number of vehicles sold in 1989 in the U.S. was 18,416 and 9,174 in Canada. In a continuation of last year's trend, fleets are driving more miles and for more months before turning their vehicles over. The average number of months and miles on each vehicle in the U.S. was 40 months/73,980 miles for automobiles; 56 months/73,120 miles for vans and 68 months/72,483 miles for light duty trucks. Canadian figures indicated 31 months/88,406 miles for automobiles; 41 months/93,037 miles for vans and 42 months/74,200 miles for light duty trucks.

Replacement Policies

Respondents were asked to provide their actual written replacement policies. The results were averaged and indicated that in the U.S., the replacement policy for automobiles is 42 months/63,100 miles; 54 months/71,500 miles for vans and 62 months/75,600 miles for light duty trucks. The Canadian figures were similar for the number of months, but higher for mileage at 36 months/96,100 miles for automobiles and 50 months/110,250 miles for vans. Replacement policies for light duty trucks in Canada could not be tabulated because there were too few responses.

Dispose or Salvage?

In both the U.S. and Canada, most vehicles were disposed at auctions. In 1989, fleet managers in the U.S. disposed of 8,982 automobiles; 1,315 vans and 1,982 light duty trucks at auctions.

1990 figures indicate that fleets are keeping their vehicles longer, putting more miles on them.

Canadians disposed of 1,397 automobiles and 1,076 light duty trucks at auctions, while the majority (742) of their vans were sold to wholesalers.

A total of 1,466 vehicles were salvaged in the U.S. (791 automobiles, 301 vans and 374 light duty trucks). Canadian fleet managers salvaged 90 automobiles, 8 vans and 4 light duty trucks -- a total of 102 vehicles -- in 1989.

Determining Selling Prices

According to NAFA statistics, 43% of U.S. fleet managers determine selling prices by using a leasing company estimate while 34% use *Automotive Market Report* figures. In Canada, 70% of the respondents indicate that they use the *Canadian Black Book* and 23% use a leasing company estimate.

When asked what percentage of the original price was recovered when a vehicle was sold, 35% of U.S. fleet managers indicated that they got 30-40% for automobiles; 22% said they got 20-30% for vans and 39% got 20-30% for light duty trucks. The figures for Canada indicated that 40% of respondents got 40-50% of the original selling price for automobiles, 28% got 20-30% for vans and 34% got 30-40% for light duty trucks.

Title Transfers, Reconditioning, Changes

Most title transfers in the U.S. (48%) are handled by company staff, while in Canada, 51% are handled by a leasing company. When asked about the frequency of vehicle reconditioning, 36% of U.S. fleet managers responded "never," 31% responded "rarely" and 2% said "always." Forty-three percent of Canadian respondents said "never," 30% said "rarely" and 7% said "always." Reconditioing expenses were low, of course, because of the high percentage of respondents indicating that they do not recondition vehicles. For instance,

SURVEY RESULTS

39% of U.S. respondents indicated that because they don't recondition, their expenses were zero. For Canada, that figure represented 46%.

What changes are our fleet managers planning for the new model year to positively affect vehicle resale? Some will change the optional equipment (32% U.S.), while in Canada, 53% of respondents indicated that no changes are planned.

For in-depth, industry-by-industry statistics, see the charts on the following pages.

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Number of Responding Fleets

Industry Classification	U.S.	Canada
Banking/Finance	3	1
Chemicals & Petroleum	9	2
Communications	2	1
Consumer Manufacturing	6	2
Drugs & Cosmetics	10	7
Electronics	2	1
Food & Beverage	10	3
Government/Law Enforcement	29	5
Insurance	16	1
Industrial Manufacturing	8	4
Public Utility	19	0
Service Organization	3	1
Other	16	2
Total	133	30

How Many of Each Type of Vehicle Was Sold in 1989?

Automobiles/Vans/Light Duty Trucks

	1987 Autos	1987 Vans	1987 LDTs	1988 Autos	1988 Vans	1988 LDTs	1989 Autos	1989 Vans	1989 LDTs	Total 1987-89 Autos	Total 1987-89 Vans	Total 1987-89 LDTs
Total United States	5,273	1,493	1,284	5,041	1,250	935	1,505	826	809	11,819	3,569	3,028
Banking/Finance	117	10	0	71	1	0	80	2	0	268	13	0
Chemicals & Petroleum	26	101	168	13	100	135	6	100	104	45	301	407
Communications	5	0	0	0	0	0	0	0	0	5	0	0
Consumer Manufacturing	635	41	2	249	44	0	12	2	0	896	87	2
Drugs & Cosmetics	642	8	0	420	3	0	1,169	5	0	2,231	16	0
Electronics	245	16	0	129	230	0	10	11	0	384	257	0
Food & Beverage	619	15	74	262	22	74	15	0	0	896	37	148
Government/Law Enforce.	1,263	653	428	1,841	218	211	18	199	199	3,122	1,070	838
Insurance	731	0	0	781	1	0	73	0	0	1,585	1	0
Industrial Manufacturing	346	400	331	333	388	304	11	299	298	690	1,087	933
Public Utility	259	107	128	403	127	99	12	100	100	674	334	327
Service Organization	18	2	2	0	0	0	0	0	0	18	2	2
Other	367	140	151	459	116	112	29	108	108	855	364	371

Marketing Survey Results *continued from page 23*

How Many of Each Type of Vehicle Was Sold in 1989?

Automobiles/Vans/Light Duty Trucks

	1987 Autos	1987 Vans	1987 LDTs	1988 Autos	1988 Vans	1988 LDTs	1989 Autos	1989 Vans	1989 LDTs	Total 1987-89		
Total Canada	**540**	**1,111**	**1,211**	**540**	**1,184**	**1,108**	**1,359**	**1,111**	**1,188**	**Autos**	**Vans**	**LDTs**
Banking/Finance	49	0	0	49	0	0	1	0	0	59	0	0
Chemicals & Petroleum	1	99	100	1	99	6	17	99	99	29	297	205
Communications	0	99	99	0	99	99	1	99	99	1	297	297
Consumer Manufacturing	25	0	10	25	0	2	1	0	0	38	0	12
Drugs & Cosmetics	138	201	297	138	208	297	188	215	297	445	624	891
Electronics	0	99	99	0	99	99	650	99	99	650	297	297
Food & Beverage	30	13	0	30	85	0	6	5	0	70	103	0
Government/Law Enforce.	251	99	111	251	99	110	99	99	99	491	297	320
Insurance	10	99	99	10	99	99	99	99	99	119	297	297
Industrial Manufacturing	14	204	198	14	198	198	99	198	198	129	600	594
Public Utility	0	0	0	0	0	0	0	0	0	0	0	0
Service Organization	1	0	0	1	0	0	0	0	0	4	0	0
Other	21	198	198	21	198	198	198	198	198	226	594	594

Average Number of Months and Miles on Each Type of Vehicle Sold in 1989

	Autos		Vans		Light Duty Trucks	
	Months	Miles	Months	Miles	Months	Miles
All U.S. Fleets	40	73,980	56	73,120	68	72,483
All Canadian Fleets	31	88,406	41	93,037	42	74,200

Actual Written Replacement Policies for Each Type of Vehicle in Fleet

	Autos		Vans		Light Duty Trucks	
	Months	Miles	Months	Miles	Months	Miles
All U.S. Fleets	42	63,100	54	71,500	62	75,600
All Canadian Fleets	36	96,100	50	110,250	*	*

(*) Too Few Responses

How Many of Each Type of Vehicle Was Sold Through Each Method in 1989?

1 = Employees
2 = Auctions
3 = Wholesalers
4 = New Car Dealers
5 = Used Car Dealers

	Autos					Vans					Light Duty Trucks				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Total U.S.	4,068	8,982	3,252	418	217	722	1,315	622	209	236	1,151	1,982	468	165	394
Banking/Finance	193	174	19	0	2	0	23	0	0	0	0	0	0	0	0
Chemicals & Petrol.	45	51	17	0	111	101	113	106	101	100	106	30	102	43	121
Communications	64	0	6	0	0	0	0	0	0	0	0	0	30	0	0
Consumer Mfg.	387	494	191	7	0	41	37	8	3	0	3	12	0	0	0
Drugs & Cosmetics	576	1,446	725	9	0	110	106	99	100	99	101	108	99	99	99
Electronics	156	264	0	0	0	75	177	0	0	0	0	0	0	0	0
Food & Beverage	394	611	395	11	0	12	0	106	0	0	5	2	54	0	0
Gov't./Law Enf.	380	3,505	699	101	20	112	523	100	3	0	73	777	60	2	0
Insurance	403	439	441	186	45	2	0	2	0	10	1	2	0	0	0
Industrial Mfg.	288	169	338	0	7	85	55	161	0	0	139	24	85	0	10
Public Utility	551	852	26	0	1	143	191	14	2	25	662	753	37	3	121
Service Org.	0	207	329	0	0	29	32	26	0	0	0	28	0	0	0
Other	541	765	66	49	31	12	58	0	0	2	61	246	1	18	43
Total Canadian	739	1,397	528	802	798	481	689	742	693	693	665	1,076	612	607	693
Banking/Finance	77	0	6	6	5	0	0	0	0	0	0	0	0	3	0
Chemicals & Petrol.	17	1	3	0	0	4	2	0	0	0	25	29	15	0	0
Communications	22	10	17	99	99	16	99	99	99	99	4	99	3	99	99
Consumer Mfg.	58	20	11	1	0	3	0	0	0	0	39	0	0	0	0
Drugs & Cosmetics	81	256	246	297	297	105	121	201	198	198	198	198	198	199	198
Electronics	320	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Food & Beverage	33	20	27	0	0	44	13	46	0	0	0	0	0	0	0
Gov't./Law Enf.	19	972	1	0	0	0	142	0	0	0	2	354	0	0	0
Insurance	60	99	99	99	99	99	99	99	99	99	99	99	99	99	99
Industrial Mfg.	24	19	109	198	198	111	114	198	198	198	199	198	198	108	198
Public Utility	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Org.	1	0	0	3	0	0	0	0	0	0	0	0	0	0	0
Other	27	0	9	99	100	99	99	99	99	99	99	99	99	99	99

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Marketing Survey Results *continued from page 25*

Percentage of Original Price Recovered from the Sale of Each Type of Vehicle

1 = Less than 10%
2 = 10-20%
3 = 20-30%
4 = 30-40%
5 = 40-50%
6 = 50-60%
7 = 60% and over

	United States							Canada						
	% 1	% 2	% 3	% 4	% 5	% 6	% 7	% 1	% 2	% 3	% 4	% 5	% 6	% 7
Total Automobiles	**5**	**17**	**14**	**35**	**21**	**6**	**2**	**4**	**4**	**12**	**20**	**40**	**16**	**4**
Banking/Finance	100	0	0	0	0	0	0	0	0	0	0	100	0	0
Chemicals & Petroleum	25	50	0	25	0	0	0	0	0	0	0	0	0	0
Communications	0	100	0	0	0	0	0	100	0	0	0	0	0	0
Consumer Mfg.	0	0	0	17	83	0	0	0	0	50	0	50	0	0
Drugs & Cosmetics	0	0	0	57	43	0	0	0	0	0	0	60	40	100
Electronics	0	0	0	0	100	0	0	0	0	0	0	0	0	0
Food & Beverage	0	0	17	50	33	0	0	0	0	50	0	50	0	0
Gov't./Law Enf.	5	26	38	21	0	5	5	0	0	20	20	20	20	0
Insurance	0	0	0	40	20	30	10	0	20	0	100	0	0	0
Industrial Mfg.	0	0	0	50	50	0	0	0	0	0	50	50	0	0
Public Utility	0	46	18	27	9	0	0	0	0	0	0	0	0	0
Service Org.	50	0	50	0	0	0	0	0	0	0	100	0	0	0
	0	9	9	64	18	0	0	0	0	0	0	50	50	0
Total Vans	**9**	**20**	**22**	**18**	**11**	**7**	**13**	**0**	**18**	**28**	**18**	**0**	**18**	**18**
Banking/Finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chemicals & Petroleum	50	0	0	50	0	0	0	0	0	0	0	0	0	0
Communications	0	0	0	0	0	0	0	0	0	100	0	0	0	0
Consumer Mfg.	0	0	0	0	50	50	0	0	100	0	0	0	0	0
Drugs & Cosmetics	0	0	0	0	0	0	0	0	0	0	0	0	100	0
Electronics	0	0	0	0	0	0	100	0	0	0	0	0	0	0
Food & Beverage	0	33	33	0	0	34	0	0	0	0	0	0	0	100
Gov't./Law Enf.	0	29	21	29	7	7	7	0	25	50	25	0	0	0
Insurance	0	0	50	0	0	0	50	0	0	0	0	0	0	0
Industrial Mfg.	0	0	33	0	33	0	34	0	0	0	100	0	0	0
Public Utility	11	33	34	22	0	0	0	0	0	0	0	0	0	0
Service Org.	50	50	0	0	0	0	0	0	0	0	0	0	0	0
Other	14	0	14	14	29	0	29	0	0	0	0	0	0	0
Total Light Duty Trucks	**9**	**16**	**39**	**18**	**16**	**0**	**2**	**11**	**11**	**22**	**34**	**22**	**0**	**0**
Banking/Finance	0	0	0	0	0	0	0	0	0	0	0	100	0	0
Chemicals & Petroleum	0	0	75	0	25	0	0	0	0	0	100	0	0	0
Communications	100	0	0	0	0	0	0	100	0	0	0	0	0	0
Consumer Mfg.	0	50	0	0	50	0	0	0	100	0	0	0	0	0
Drugs & Cosmetics	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Electronics	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Food & Beverage	0	0	0	100	0	0	0	0	0	0	0	0	0	0
Gov't./Law Enf.	0	13	55	13	13	0	6	0	0	40	40	20	0	0
Insurance	0	0	100	0	0	0	0	0	0	0	0	0	0	0
Industrial Mfg.	33	0	33	0	34	0	0	0	0	0	0	0	0	0
Public Utility	0	40	30	30	0	0	0	0	0	0	0	0	0	0
Service Org.	100	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	17	0	17	33	33	0	0	0	0	0	0	0	0	0

Vehicles Salvaged in 1989

	Autos	Vans	LDTs		Autos	Vans	LDTs
Total U.S.	**791**	**301**	**374**	**Total Canadian**	**90**	**8**	**4**
Banking/Finance	28	0	0	Banking/Finance	0	0	0
Chemicals & Petroleum	7	99	8	Chemicals & Petroleum	0	0	0
Communications	2	0	8	Communications	2	1	0
Consumer Manufacturing	29	3	0	Consumer Manufacturing	2	0	0
Drugs & Cosmetics	53	0	0	Drugs & Cosmetics	31	2	0
Electronics	28	13	99	Electronics	5	0	0
Food & Beverage	11	3	25	Food & Beverage	5	1	0
Government/Law Enforcement	395	146	146	Government/Law Enforcement	1	3	4
Insurance	74	0	0	Insurance	48	0	0
Industrial Manufacturing	26	5	3	Industrial Manufacturing	0	1	0
Public Utility	68	28	79	Public Utility	1	0	0
Service Organization	28	3	0	Service Organization	0	0	0
Other	42	1	6	Other	0	0	0

Frequency Vehicles Are Reconditioned Before Being Sold

1 = Always • 2 = Often • 3 = Sometimes • 4 = Rarely • 5 = Never

	United States					Canada				
	% 1	% 2	% 3	% 4	% 5	% 1	% 2	% 3	% 4	% 5
Total	**2**	**8**	**23**	**31**	**36**	**7**	**7**	**13**	**30**	**43**
Banking/Finance	0	0	0	0	100	0	0	0	100	0
Chemicals & Petroleum	0	0	11	33	56	0	50	50	0	0
Communications	0	0	0	100	0	0	0	0	100	0
Consumer Mfg.	0	0	50	0	50	0	0	0	50	50
Drugs & Cosmetics	0	20	30	50	0	14	14	0	43	29
Electronics	0	0	0	0	100	0	0	0	0	100
Food & Beverage	0	10	40	30	20	0	0	33	0	67
Gov't./Law Enf.	4	21	14	25	36	20	0	0	40	40
Insurance	0	6	38	25	31	0	0	0	100	0
Industrial Mfg.	0	0	13	62	25	0	0	25	0	75
Public Utility	6	6	28	22	38	0	0	0	0	0
Service Org.	0	0	67	0	33	0	0	100	0	0
Other	0	0	6	50	44	0	0	0	0	100

Average Reconditioning Expense Per Vehicle

1 = $0 • 2 = Less than $100 • 3 = $101-$300 • 4 = $301-$500 • 5 = $501-$700 • 6 = More than $700

	United States						Canada					
	% 1	% 2	% 3	% 4	% 5	% 6	% 1	% 2	% 3	% 4	% 5	% 6
Total	**39**	**30**	**21**	**6**	**2**	**2**	**46**	**18**	**29**	**7**	**0**	**0**
Banking/Finance	100	0	0	0	0	0	0	0	0	100	0	0
Chemicals & Petroleum	56	33	0	0	11	0	0	50	50	0	0	0
Communications	0	100	0	0	0	0	0	100	0	0	0	0
Consumer Manufacturing	40	20	40	0	0	0	50	0	50	0	0	0
Drugs & Cosmetics	0	25	62	0	0	13	33	17	33	17	0	0
Electronics	50	0	0	50	0	0	100	0	0	0	0	0
Food & Beverage	50	10	10	20	0	10	67	0	33	0	0	0
Government/Law Enforcement	38	35	19	8	0	0	25	50	25	0	0	0
Insurance	31	31	32	0	6	0	100	0	0	0	0	0
Industrial Manufacturing	38	37	0	25	0	0	75	0	25	0	0	0
Public Utility	36	32	32	0	0	0	0	0	0	0	0	0
Service Organization	100	0	0	0	0	0	0	0	100	0	0	0
Other	54	33	13	0	0	0	100	0	0	0	0	0

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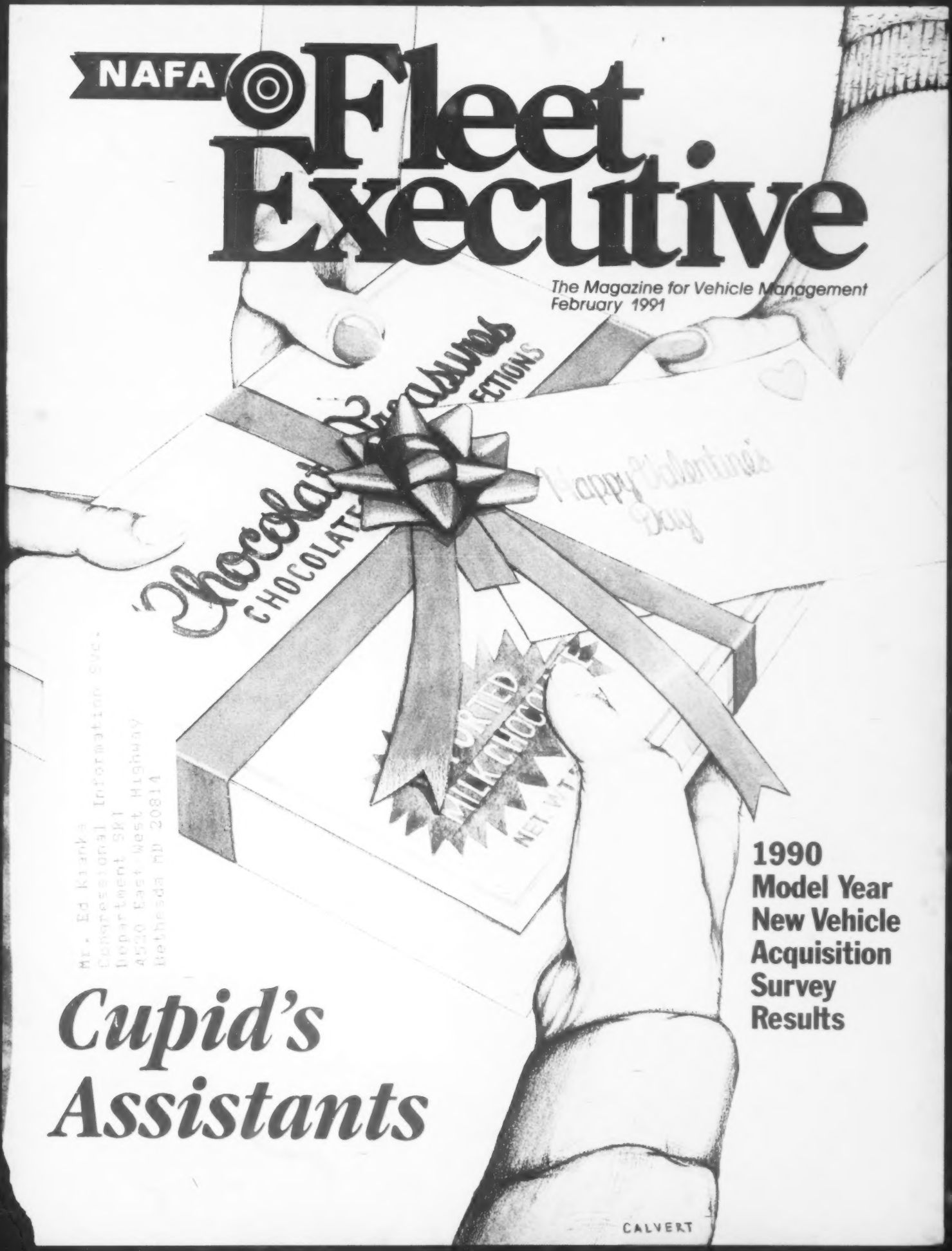

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1990 Model Year New Vehicle Acquisition Survey Results

For more than 30 years, the voice of fleet managers across the United States and Canada.

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NEW VEHICLE ACQUISITION SURVEY RESULTS

NAFA's 1991 Model Year

The 1991 Model Year New Vehicle Acquisition Survey, an annual NAFA study, explores NAFA Member fleets' policies and practices regarding the purchase of company (organization) fleet vehicles. The results of the survey are published to enable fleet managers to compare their own new vehicle acquisition policies and practices with those of other fleets.

Two questionnaires and cover letters -- one for U.S. fleets and the other for Canadian -- were mailed to all NAFA Members.

By the October 30, 1990 cut-off date, a total of 372 -- 297 U.S. and 75 Canadian -- completed questionnaires were received at NAFA headquarters, representing approximately 18% of the Members. NAFA thanks those who took the time to complete the questionnaire. Here's what your answers indicated.

How Many, What Kinds of Vehicles?

Fleets in the United States and Canada will purchase or lease more than 108,000 1991 model year vehicles -- at a cost of more than $1.5 billion -- during the upcoming months, according to results of NAFA's most recent New Vehicle Acquisition Survey.

Of the 90,670 1991 model year vehicles acquired, 57,689 will be cars, 11,418 will be vans and 11,563 will be light duty trucks. Respondents expect to pay an average of $12,731 for a U.S. car, $15,926 in Canada; $14,547 for a U.S. van, $17,983 in Canada and $14,094 for a U.S. van, $17,178 in Canada.

From Whom Will They Buy or Lease?

Thirty-nine percent of responding U.S. fleet managers expect to purchase their vehicles from Ford-Lincoln/Mercury and 35% will purchase from General Motors. Canadian fleet managers will purchase vehicles from General Motors (45%) and Ford/Lincoln-Mercury (31%).

Imports will account for 2.7% of the purchases in the U.S. and .0145% in Canada. The biggest selling import in the U.S. was Nissan at 0.9%; in Canada, fleet managers reported they will purchase 0.1% of their vehicles from Toyota.

Factors Considered

Both U.S. and Canadian fleet managers indicated that initial cost and job suitability were the most important things to consider when purchasing or leasing new vehicles. Other considerations, in ranking order for the U.S., included economy of operation, repair record, serviceability, safety record, depreciation/resale value, warranty program, order/delivery time, country of origin, company image/prestige and driver preference.

Canadian fleet managers base their choices on, in order, initial cost, job suitability, depreciation/resale value, economy of operation, serviceability, repair record, safety record, warranty program, company image/prestige, order/delivery time, driver preference, country of origin, ease of operation, insurance costs and fringe benefit.

Employee Ownership?

Not one respondent from either the U.S. or Canada said that they will divest a portion of their fleet to employee-provision of vehicles.

Imports in Fleets

Eighty-nine percent of both U.S. and Canadian respondents do not buy vehicles with traditionally "foreign" nameplates. Of these, 50% in the U.S. and 68% of Canadians said they do not buy such vehicles because of a "perceived 'Buy North American' company policy." Nineteen percent of U.S. fleet managers say that their companies have a written "buy domestic only" policy; in Canada, that number is 32%. U.S. respondents (52%) would not buy "foreign" vehicles even if they were primarily manufactured in the U.S. and 57% of Canadians agree.

Any Changes Planned?

Few changes in the acquisition process will take place this year. For instance, 57% of U.S. respondents plan no changes in the types of vehicles in their fleets. Of the 11% who are planning some changes, most will increase the size of vehicles in use.

About half of the Canadian respondents (55%) plan no substantial changes. Of those who are planning some changes, 32% will increase the number of vehicles in their fleets and 12% will lease vehicles previously purchased.

Who Responded?

Total U.S. Respondents	**297**
Banking/Finance	9
Chemical & Petroleum	25
Consumer Marketing	16
Communications	6
Drugs & Cosmetics	27
Electronics	5
Food & Beverage	29
Government/Law Enforcement	49
Industrial Manufacturing	37
Insurance	42
Public Utility	13
Service Organization	10
Other	29
Total Canadian Respondents	**75**
Banking/Finance	2
Chemical & Petroleum	9
Consumer Marketing	5
Communications	2
Drugs & Cosmetics	12
Electronics	4
Food & Beverage	5
Government/Law Enforcement	9
Industrial Manufacturing	9
Insurance	5
Public Utility	3
Service Organization	0
Other	10

Options

Fifty-two percent of U.S. respondents, and 51% of Canadians, said that manufacturer option packages have affected their choice of vehicles. Of these, 70% of the U.S. respondents and 76% of Canadians will select the same vehicles as in the past, but with more options and at more cost. *continued on page 30*

SURVEY RESULTS

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Number of Vehicles in Fleet

	Company-owned	Leased	Total
All U.S. Fleets	**206,808**	**117,774**	**324,582**
Banking/Finance	2,251	854	3,105
Chemical & Petroleum	20,926	15,349	36,275
Consumer Marketing	16,844	6,392	23,236
Communications	2,000	1,197	3,197
Drugs & Cosmetics	1,638	29,910	31,548
Electronics	199	2,172	2,371
Food & Beverage	9,916	14,023	23,939
Government/Law Enforcement	56,450	211	56,661
Industrial Manufacturing	5,955	13,711	19,666
Insurance	22,882	19,507	42,389
Public Utility	29,721	203	29,924
Service Organization	8,822	3,834	12,656
Other	12,009	8,810	20,819
All Canadian Fleets	**18,240**	**19,825**	**38,065**
Banking/Finance	0	320	320
Chemical & Petroleum	3,024	3,695	6,719
Consumer Marketing	961	789	1,750
Communications	380	450	830
Drugs & Cosmetics	410	2,043	2,453
Electronics	740	475	1,215
Food & Beverage	156	1,231	1,387
Government/Law Enforcement	3,323	2,316	5,639
Industrial Manufacturing	54	3,253	3,307
Insurance	303	1,135	1,438
Public Utility	692	13	705
Service Organization	0	0	0
Other	2,471	3,027	5,498

Number of Fleet Vehicles in Each Category

	Cars	Vans	LDTs	Total
All U.S. Fleets	**217,470**	**42,196**	**64,916**	**324,582**
All Canadian Fleets	**18,271**	**8,374**	**11,420**	**38,065**

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SURVEY RESULTS

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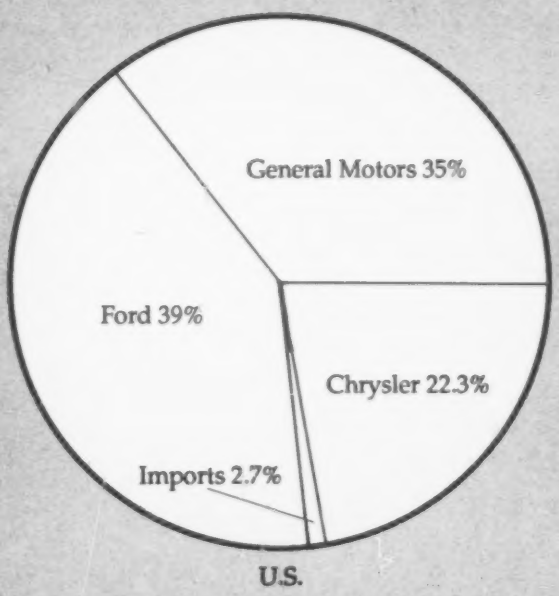
Number of 1991 Model Year Vehicles Expected to Purchase and/or Lease

	U.S.					Canada			
	Cars	Vans	LDTs	Total		Cars	Vans	LDTs	Total
All	51,599	20,069	8,822	80,490	All	6,090	1,349	2,741	10,180
Banking/Finance	593	61	27	681		60	0	0	60
Chemical & Petroleum	2,355	660	3,139	6,154		525	101	988	1,614
Consumer Marketing	2,019	945	236	3,200		584	28	0	612
Communications	362	247	76	685		185	30	0	215
Drugs & Cosmetics	9,311	1,215	180	10,706		811	140	3	954
Electronics	508	340	12	860		772	16	1	789
Food & Beverage	5,819	661	207	6,687		340	107	7	454
Government/Law Enforcement	7,064	660	1,465	9,189		469	87	481	1,037
Industrial Manufacturing	4,593	1,547	714	6,854		638	466	72	1,176
Insurance	13,868	274	59	14,201		512	0	0	512
Public Utility	422	812	733	1,967		46	20	62	128
Service Organization	299	1,051	592	1,942		0	0	0	0
Other	3,856	1,159	1,024	6,039		528	204	317	1,049

Vehicles Expected to Purchase and/or Lease From Each Manufacturer



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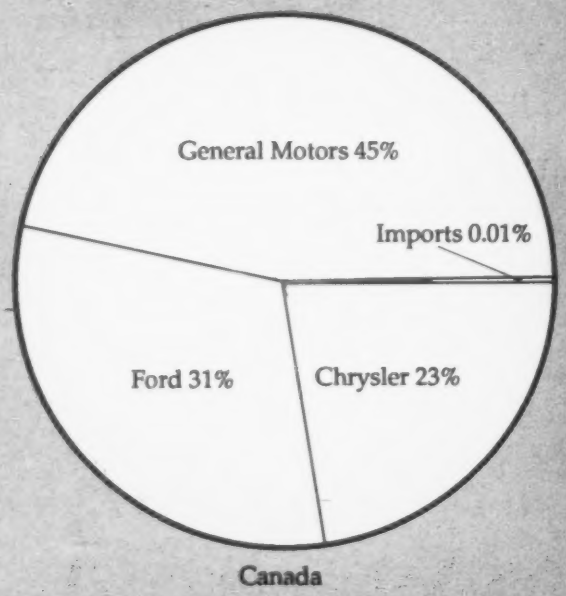

Canada

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SURVEY RESULTS

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Does Your Company Purchase or Lease "Foreign" Vehicles?

	% Yes	% No
All U.S. Fleets	**11**	**89**
Banking/Finance	0	100
Chemical & Petro.	8	92
Consumer Mktg.	7	93
Communications	0	100
Drugs & Cosmetics	30	70
Electronics	0	100
Food & Beverage	3	97
Gov't/Law Enforce.	4	96
Industrial Mfg.	11	89
Insurance	5	95
Public Utility	0	100
Service Org.	10	90
Other	29	71
All Canadian Fleets	**11**	**89**
Banking/Finance	0	100
Chemical & Petro.	13	87
Consumer Mktg.	20	80
Communications	0	100
Drugs & Cosmetics	18	82
Electronics	0	100
Food & Beverage	25	75
Gov't/Law Enforce.	11	89
Industrial Mfg.	11	89
Insurance	20	80
Public Utility	0	100
Service Org.	0	0
Other	0	100

If No, Why Not?

	Company written "domestic only" policy %	Company perceived "domestic only" policy %	Personal preference of fleet management %	Driver preference %
All U.S. Fleets	**19**	**68**	**10**	**3**
Banking/Finance	45	22	22	0
Chemical & Petro.	4	76	4	8
Consumer Mktg.	9	67	25	8
Communications	17	33	17	0
Drugs & Cosmetics	16	42	0	0
Electronics	0	80	0	0
Food & Beverage	11	75	7	0
Gov't/Law Enforce.	20	38	5	0
Industrial Mfg.	39	52	6	0
Insurance	14	69	3	0
Public Utility	15	55	15	0
Service Org.	0	44	45	0
Other	1	56	5	5
All Canadian Fleets	**32**	**50**	**12**	**6**
Banking/Finance	100	0	0	0
Chemical & Petro.	43	43	14	0
Consumer Mktg.	50	25	25	0
Communications	50	50	0	0
Drugs & Cosmetics	33	56	11	0
Electronics	33	67	0	0
Food & Beverage	0	67	33	0
Gov't/Law Enforce.	25	13	13	13
Industrial Mfg.	38	49	0	13
Insurance	20	40	20	0
Public Utility	50	0	0	50
Service Org.	0	0	0	0
Other	10	40	20	10

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SURVEY RESULTS

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Would You Purchase or Lease a "Foreign" Vehicle Even if Manufactured Domestically?

	% Yes	% No	% Unsure		% Yes	% No	% Unsure
All U.S. Fleets	**15**	**52**	**33**	**All Canadian Fleets**	**10**	**57**	**33**
Banking/Finance	0	75	25	Banking/Finance	0	100	0
Chemical & Petro.	5	33	62	Chemical & Petro.	0	100	0
Consumer Mktg.	17	42	41	Consumer Mktg.	0	75	25
Communications	0	50	50	Communications	0	100	0
Drugs & Cosmetics	19	31	50	Drugs & Cosmetics	13	49	38
Electronics	25	50	25	Electronics	0	0	100
Food & Beverage	7	63	30	Food & Beverage	0	33	67
Gov't/Law Enforce.	20	46	34	Gov't/Law Enforce.	17	50	33
Industrial Mfg.	15	66	19	Industrial Mfg.	25	38	37
Insurance	17	60	23	Insurance	0	100	0
Public Utility	17	66	17	Public Utility	50	50	0
Service Org.	33	45	22	Service Org.	0	0	0
Other	22	28	50	Other	11	33	56

Have Manufacturer Option Packages Affected Your Selection of Fleet Vehicles?

	% Yes	% No
All U.S. Fleets	**52**	**48**
All Canadian Fleets	**51**	**49**

Why Do You Select the Vehicles Which You Acquire?

Initial cost	Job suitability	Repair record	Economy of operation	Depreciation/resale value	Serviceability	Safety Record	Warranty program	Order/delivery time/ distribution	Country where manufactured	Company image/prestige	Driver preference	Administrative ease	Insurance costs	Fringe benefit
%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
All U.S. Fleets														
49	47	14	14	20	12	18	7	7	21	10	3	1	2	1
All Canadian Fleets														
53	41	8	8	17	4	10	4	7	25	12	11	0	0	3

Expected Average Initial Cost of a Single 1991 Model Year Vehicle

	U.S.				Canada		
	Car	Van	LDT		Car	Van	LDT
All Fleets	**$12,731**	**$14,547**	**$14,094**	**All Fleets**	**$15,926**	**$17,983**	**$17,178**
Banking/Finance	11,194	13,863	16,250	Banking/Finance	14,166	0	0
Chemical & Petro.	13,945	15,170	13,824	Chemical & Petro.	17,044	18,887	16,428
Consumer Mktg.	13,150	14,045	13,033	Consumer Mktg.	18,111	19,000	0
Communications	10,680	14,575	15,333	Communications	16,500	20,000	0
Drugs & Cosmetics	13,381	14,621	15,311	Drugs & Cosmetics	17,330	19,440	16,250
Electronics	12,825	11,410	13,000	Electronics	15,333	18,167	23,000
Food & Beverage	12,656	14,708	11,598	Food & Beverage	18,000	24,667	20,000
Gov't/Law Enforce.	11,845	13,981	13,893	Gov't/Law Enforce.	14,993	17,500	15,560
Industrial Mfg.	13,606	14,985	15,538	Industrial Mfg.	17,399	16,118	15,125
Insurance	12,140	15,611	14,571	Insurance	12,993	0	0
Public Utility	11,462	13,366	13,135	Public Utility	12,750	15,250	14,000
Service Org.	13,162	14,180	17,237	Service Org.	0	0	0
Other	13,148	15,347	14,914	Other	14,644	16,994	25,750

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SURVEY RESULTS

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Changes Planned During Next Year

	Lease vehicles previously purchased %	Purchase vehicles previously leased %	Divest most of fleet to employee ownership %	Reduce number of vehicles in fleet %	Increase number of vehicles in fleet %	Other %	No substantial changes considered %
All U.S. Fleets	**1**	**11**	**0**	**14**	**13**	**15**	**57**
Banking/Finance	0	25	0	25	0	0	50
Chemical & Petro.	0	4	0	13	13	21	58
Consumer Mktg.	0	0	0	21	21	29	43
Communications	0	33	0	0	17	17	50
Drugs & Cosmetics	4	8	0	4	23	27	54
Electronics	0	0	0	20	20	20	60
Food & Beverage	0	14	0	17	14	17	48
Gov't/Law Enforce.	0	6	0	17	6	6	70
Industrial Mfg.	0	12	0	12	24	24	47
Insurance	0	12	0	24	17	19	43
Public Utility	0	23	0	8	0	0	69
Service Org.	0	11	0	11	22	0	56
Other	%	15	0	4	4	7	70
All Canadian Fleets	**12**	**0**	**0**	**0**	**32**	**0**	**55**
Banking/Finance	0	0	0	0	0	0	100
Chemical & Petro.	0	0	0	0	38	0	63
Consumer Mktg.	0	0	0	0	33	0	67
Communications	50	0	0	0	50	0	0
Drugs & Cosmetics	22	0	0	0	0	0	78
Electronics	0	0	0	0	33	0	67
Food & Beverage	25	0	0	0	0	0	75
Gov't/Law Enforce.	25	0	0	0	50	0	25
Industrial Mfg.	13	0	0	0	25	0	63
Insurance	0	0	0	0	40	0	60
Public Utility	0	0	0	0	50	0	50
Service Org.	0	0	0	0	0	0	0
Other	11	0	0	0	33	0	56

Note: Respondentscould select more than one response, therefore totals may be greater than 100%.

When Do You Order Most of Your Replacement Vehicles?

	% Spring	% Fall	% Winter	% Summer
All U.S. Fleets	16	55	20	9
All Canadian Fleets	16	62	11	11

When Do You Take Delivery of Most of Your Replacement Vehicles?

All U.S. Fleets	23	31	34	12
All Canadian Fleets	43	32	21	4

Do You Plan Changing the Size/Type of Vehicles Used in Your Fleet?

	% Yes	% No		% Yes	% No
All U.S. Fleets	11	89	All Canadian Fleets	11	89
Banking/Finance	25	75	Banking/Finance	0	100
Chemical & Petro.	17	83	Chemical & Petro.	22	78
Consumer Mktg.	7	93	Consumer Mktg.	0	100
Communications	20	80	Communications	50	50
Drugs & Cosmetics	0	100	Drugs & Cosmetics	8	92
Electronics	20	80	Electronics	0	100
Food & Beverage	11	89	Food & Beverage	25	75
Gov't/Law Enforce.	11	89	Gov't/Law Enforce.	22	78
Industrial Mfg.	12	88	Industrial Mfg.	11	89
Insurance	10	90	Insurance	0	100
Public Utility	17	83	Public Utility	0	100
Service Org.	11	89	Service Org.	0	0
Other	14	86	Other	0	100

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SURVEY RESULTS

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If Manufacturer Option Packages Have Affected Selection of Vehicles, Which Condition Applies?

		Select same vehicles with more equipment %	Select same vehicles with less equipment %	Select different models or manufacturers because they offer desired optional equipment %	Other %		Select same vehicles with more equipment %	Select same vehicles with less equipment %	Select different models or manufacturers because they offer desired optional equipment %	Other %
All Fleets	**U.S.**	**74**	**6**	**12**	**8**	**Canada**	**76**	**3**	**18**	**3**
Banking/Finance		61	13	13	13		0	0	0	0
Chemical & Petro.		61	13	13	13		83	0	17	0
Consumer Mktg.		82	0	9	9		100	0	0	0
Communications		100	0	0	0		0	0	0	0
Drugs & Cosmetics		64	9	27	0		75	25	0	0
Electronics		100	0	0	0		100	0	0	0
Food & Beverage		70	0	15	15		100	0	0	0
Gov't/Law Enforce.		95	0	5	0		60	0	20	20
Industrial Mfg.		71	8	8	13		33	0	67	0
Insurance		82	6	6	6		67	0	33	0
Public Utility		75	25	0	0		0	0	100	0
Service Org.		20	0	80	0		0	0	0	0
Other		77	6	6	11		86	0	14	0

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NAFA's 1991 Personal Use Survey

NAFA and your fellow Members and Affiliates depend on you for accurate information.

Please return your survey form by the deadline.

Thank you!

SURVEY RESULTS

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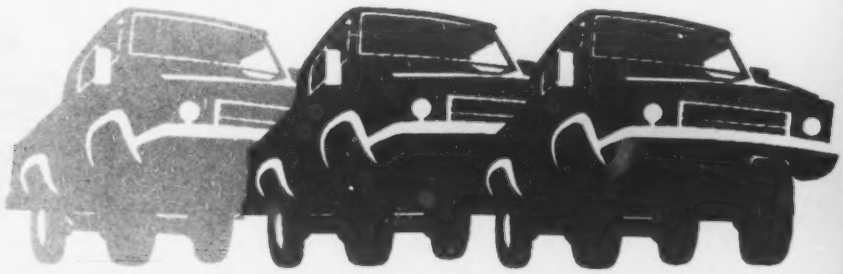
Have Manufacturer Option Packages Resulted in a Change in Your Initial Vehicle Costs? (If Yes, What Have You Incurred?)

U.S.	Yes, increased vehicle costs %	Yes, decreased vehicle costs %	No %	Canada	Yes, increased vehicle costs %	Yes, decreased vehicle costs %	No %
All Fleets	**70**	**0**	**30**		**63**	**0**	**37**
Banking/Finance	71	0	29		0	0	100
Chemical & Petro.	86	0	14		67	0	33
Consumer Mktg.	69	0	31		60	0	40
Communications	83	0	17		100	0	0
Drugs & Cosmetics	74	0	26		60	0	40
Electronics	80	0	20		0	0	100
Food & Beverage	77	0	23		67	0	33
Gov't/Law Enforce.	50	0	50		62	0	38
Industrial Mfg.	77	0	23		50	0	50
Insurance	74	0	26		100	0	0
Public Utility	42	0	58		50	0	50
Service Org.	57	0	43		0	0	0
Other	80	0	20		67	0	33



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NAFA Fleet Executive

The Magazine for Vehicle Management
March 1991

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For more than 30 years, the voice of fleet managers across the United States and Canada.

NAFA Fleet Executive

The Magazine for Vehicle Management

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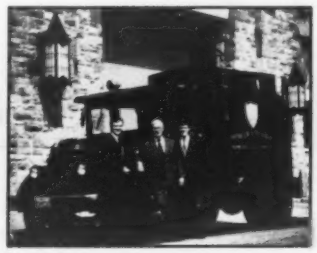

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NAFA LIGHT TRUCK

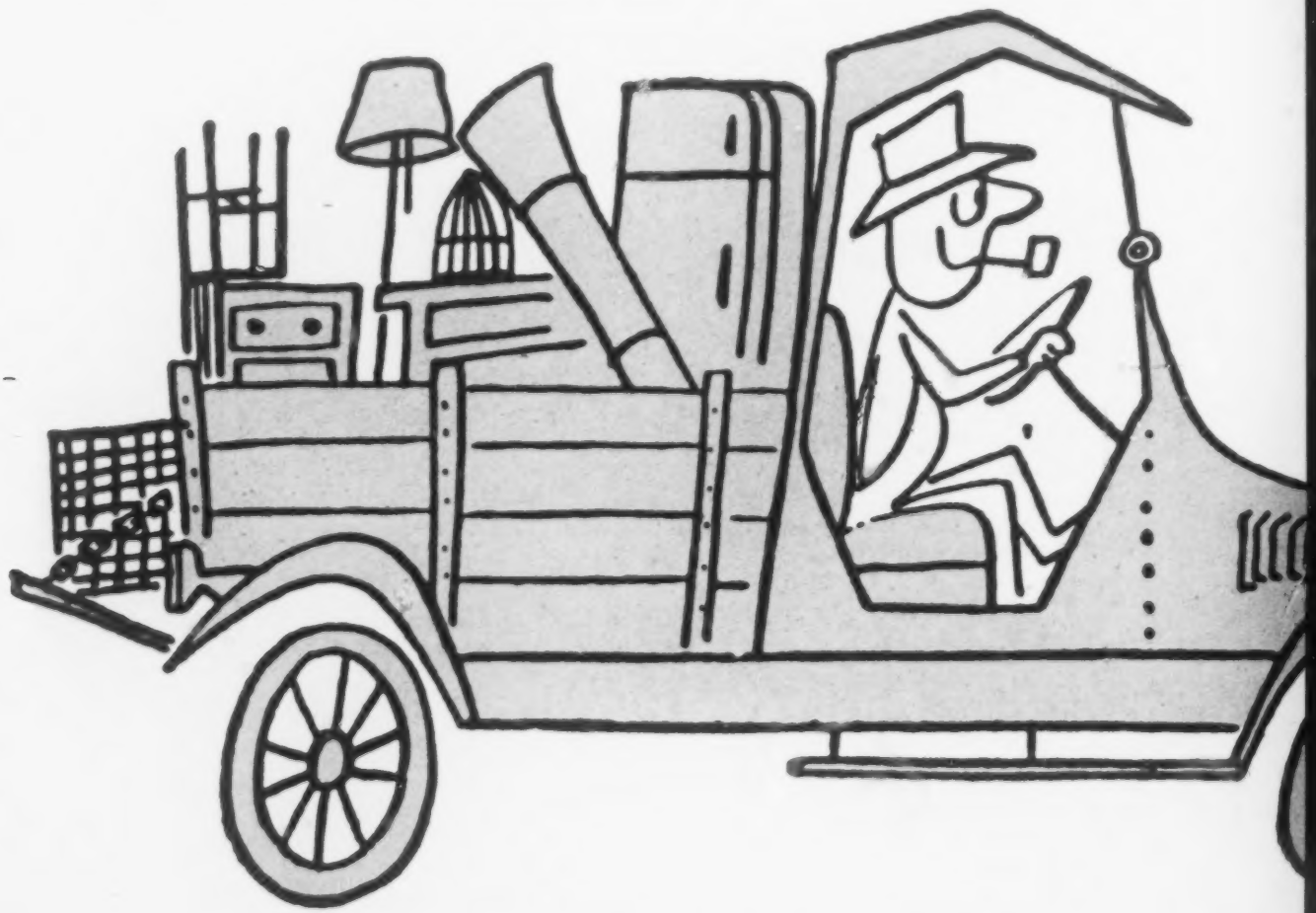
The NAFA Light Truck Survey was published in *NAFA Fleet Executive* (September 1990) and *NAFA Newsletter* (December 1990). The purpose of gathering statistics on light trucks is to establish a networking system for NAFA Members whose fleets contain such vehicles.

Also, it is hoped that a light truck manual will be produced. Such a manual would be formatted in a way that if someone had a question about a certain alternate fuel, for instance, he or she would look in the manual under that category to find the names and phone numbers of fellow NAFA Members involved with that fuel. NAFA will inform Members and Affiliates regarding the availability of the manual.

A total of 192 responses was received by the cut-off date. Of those, 35 respondents manage public service fleets. The answers indicated that NAFA has a solid base upon which to build a light truck networking group.

Of the 192 respondents, 142 indicated an interest in participating in a light truck network manual, 152 are interested in education on light truck fleet management and 130 would attend light truck seminars.

The majority of vehicles in respondent's fleets (159 responses) was full size vans, while 156 indicated that their fleet was mostly mini vans and 152 said their fleets contained pickups. A surprising number of respondents, 110, indicated that they manage Class 4 trucks (up to 14,000) and 104 manage Class 5-7 trucks (over 14,000-33,000).



SURVEY RESULTS

Although there was no Class 8 category on the survey form, a few respondents penciled in "Class 8 vehicles." The answers clearly indicate that of those who manage light duty trucks, their responsibilities involve a variety of vehicles.

Fuel has become an important concern to all NAFA Members and Affiliates. When asked which type of fuel(s) is being utilized, 98 respondents indicated diesel, 35 utilize CNG, 37 propane, 25 are dealing with dual fuel vehicles, seven are using electricity and eight are involved in methanol. Seventy-one of the respondents were involved in central fueling and 73 in central maintenance.

A Masters Forum on Light Duty Trucks will be held March 5, 1991 in Dallas/Fort Worth. A report will be published in a later issue of *Fleet Executive*.

NAFA and the Light Truck Committee (Andy T. Collins, Chairperson) thank those who took the time to respond to this timely, important survey.

Light Truck Survey Responses

The figure to the left of each category indicates the actual number of respondents who placed check marks next to that category.

142	Interested in participating in a light truck network manual
152	Interested in education on light truck fleet management
130	Interested in participating in a light truck seminar
156	Mini-vans
152	Pick-ups
159	Vans
58	Cut-aways
123	Cab-chassis
28	Stripped chassis
25	Dry freight bodies
62	Flat bed bodies
13	Refrigerated bodies
70	Special bodies (wrecker, digger, etc.)
37	Propane
35	Compressed Natural Gas
8	Methanol
25	Dual-fuel
7	Electricity
98	Diesel
57	Walk-in vans
71	Upfitting
112	Decals
29	Retrofitting (engines)
48	Refurbishment (rehab)
71	Central fueling
73	Central maintenance
45	Extended warranties
154	GM
158	Ford
123	Dodge
26	Imports
145	Class 2-3 (up to 10,000)
110	Class 4 (up to 14,000)
104	Class 5-7 (over 14,000-33,000)
15	Bailment pools

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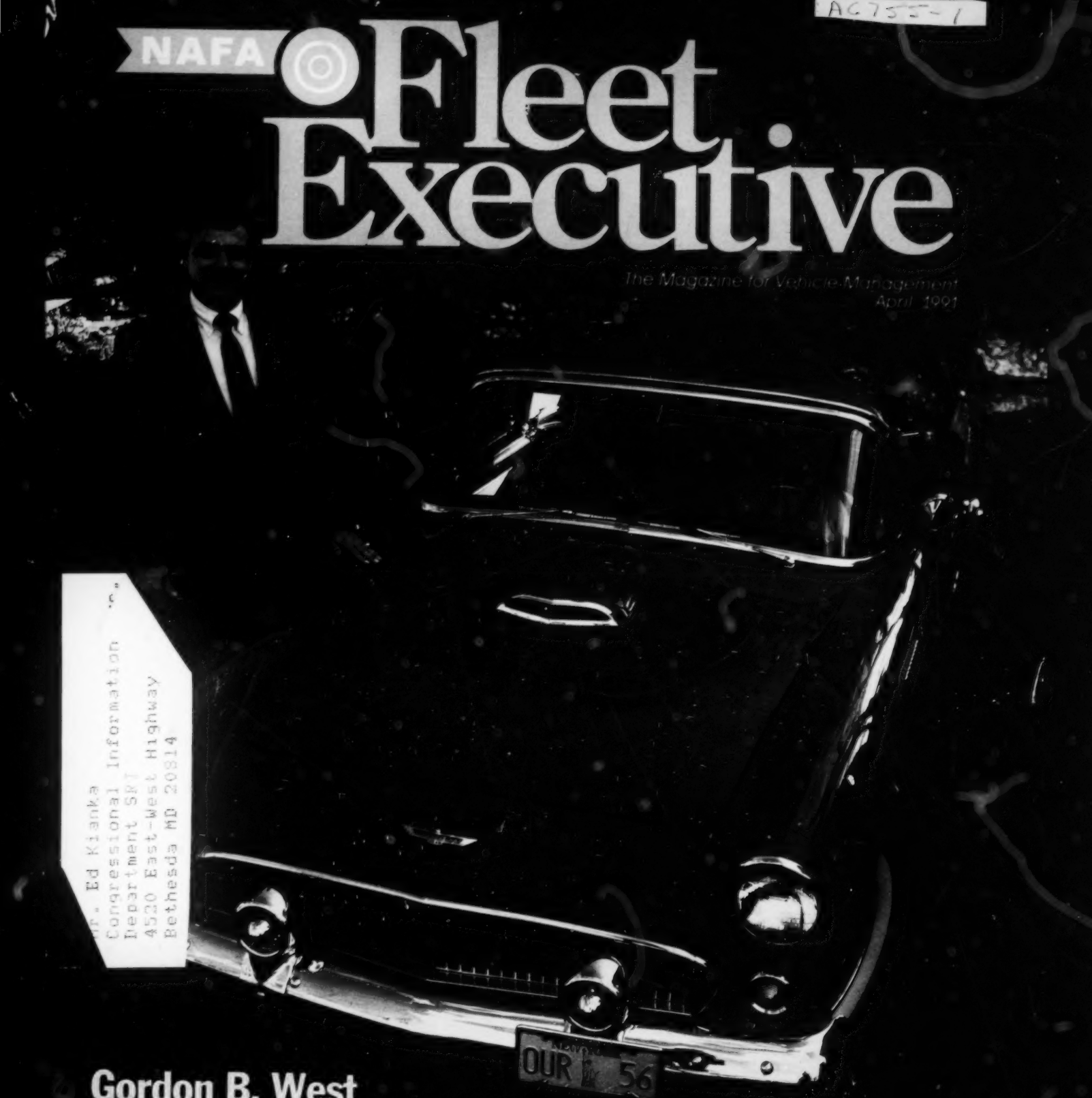
NAFA Fleet Executive

The Magazine for Vehicle Management
April 1991



Mr. Ed Kianka
Congressional Information
Department SRI
4520 East-West Highway
Bethesda MD 20814

Gordon B. West
NAFA'S NEW PRESIDENT

The Year In Review: 1990 ANNUAL REPORT

For more than 30 years, the voice of fleet managers across the United States and Canada.

NAFA Fleet Executive

The Magazine for Vehicle Management

Volume 5, Number 4

April 1991

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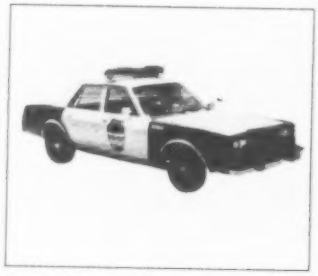

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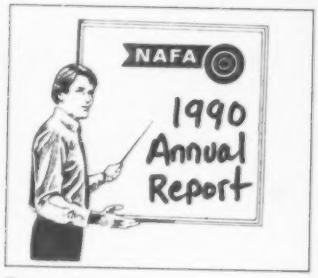

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Mark Your Calendar NOW!

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Read what NAFA's new President has to say.

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Meet three individuals who have earned the prestigious CAFM designation!

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Active listening involves more than simply hearing. Take this quiz to help you find out if you're *an active listener.*

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Annual Report

1990 TOTAL SAFETY SURVEY RESULTS

Number of Reporting Fleets	442
Number of Vehicles in Reporting Fleets	310,400
Total Miles Driven	2,033,415,860
Average Miles/Vehicle/Quarter	6,550
Total Reportable Accidents	19,110
Total Preventable Accidents	9,261
Total Non-Preventable Accidents	9,849
Total Accident Ratio/Million Miles	9.39
Total Preventable Accident Ratio/Million Miles	4.55
Total Non-Preventable Accident Ratio/Million Miles	4.84
Personal Injuries	1,679
Fatalities	26
Total Vehicular Damage	$28,304,890
Vehicle Damage Per Reportable Accident	$1,607

(Total Vehicular Damage/Reportable Accident was computed using the costs associated with 17,607 Reportable Accidents, since no costs were given for 1,503 Reportable Accidents).

gained increased recognition. During the past year, there were numerous articles regarding the public service sector in *Fleet Executive* and other publications.

At least year's Annual Conference, we set a record with 181 public service fleet managers at the Industry Workshop. And, through responses to our "Conference Questionnaire," we developed new and informative sessions for the 1991 Annual Conference. A list of topics deemed of most importance were also sent to Chapter Chairpersons as suggested meeting topics.

Also in 1990, the Public Service Fleet Committee continued its work with the Education Committee and Certification Committee, reviewing course materials and suggesting pertinent public service fleet information where necessary. We also worked with the Membership Committee and Editorial Committee to produce NAFA's 1990 *Public Service Fleet Network Manual.*

Throughout 1990, I encouraged Chapter Chairpersons to appoint a public service fleet manager to the Chapter Board of Governors to enable those viewpoints to be heard at each Chapter. To facilitate this, I have made arrangements for all Chapter Chairpersons to receive a list of public service fleet managers within their Chapter.

Many have helped make the Public Service Fleet Committee what it is and will be in the future. My thanks go to all of them for their assistance during the past year.

Safety Committee Report

Eileen Macejka, Chairperson
Fleet Operations Manager
CPC International, Inc.

Today's challenge is tomorrow's reward. Challenges facing the fleet professional are occurring in ever-increasing numbers. Manufacturers' attention to safety technology and design is in direct response to consumer concerns. The vehicle we provide to employees and the protection we strive to offer is evidenced by the growing number of fleets that have instituted effective safety programs.

NAFA chapters held safety meetings over this past year ranging on topics from substance abuse, defensive driving, occupant restraint systems and the development and implementation of safety programs. I would like to endorse NAFA's recommendation that Chapter Chairs make every effort to have safety a meeting topic in planning each year's agenda. I would like to thank the many Chapters that kept me informed on safety related issues, some of which have been addressed over this past year.

The Safety Video Showcase makes its premier at the 1991 Annual Conference. The showcase features current safety films and introduces the new Safety Film Library. The library has been created to make available reference material for review and evaluation by NAFA Members. The material exhibited has been previewed and critiqued by the committee. A reference guide has been developed and will be updated as new selections are made available.

NAFA Members testified at administrative hearings held by the Occupational Safety and Health Administration (OSHA) in Washington, D.C. Testimony was given on behalf of corporate fleets in regard to the proposed OSHA mandate on corporate fleet safety programs. At OSHA's request, NAFA conducted a survey of fleet safety practices. Questions focused on safety belt use and driver training programs.

The committee wishes to express the importance of the Safety Survey that is featured quarterly in *Fleet Focus.* These statistics are important and are a credible source of information. The committee hopes to increase responses and urges Members to participate and support NAFA's safety efforts.

The committee gratefully acknowledges the assistance of Linda Martin, Service Support Manager, Whittle Communications. Linda has accepted the position of Safety Committee Co-

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Annual Report

chair, and her enthusiastic support is greatly appreciated.

1990 Annual Conference Committee

David G. Robertson, Chairperson
Assistant Director, General Service Department
City of Houston

NAFA's Southwest Chapter was pleased to host "Exploring New Frontiers: People and Technology", the 33rd Annual Conference in Houston, Texas, April 22-25, 1990.

The Fleet Information Fair on Sunday, April 22, provided all with the opportunity to view exhibitors' wares and receive information concerning the tools of their trade. Following a busy Sunday afternoon, most everyone participated enthusiastically in the Affiliates' Night Party at the Wild West Club. All present had the opportunity to partake of a taste of Texas and the Texas Two-Step. Thanks to the contributions from Affiliates and NAFA Chapters, the party was great success.

Monday's activities commenced with the business portion of the Conference with President J. Paul Hubbard presiding. Eugene Cernan, Retired Navy Captain and former NAFA astronaut, provided a stirring kickoff to an exciting three days of educational programs.

Robert Stempel, Chairman, General Motors Corporation, provided an exceptional address at the Keynote Luncheon. The pace of the meeting was accelerated with Dr. Marvin Cetron's address, where we learned his opinions on the future and how they relate to business in general and fleet management in particular.

The primary objective of the Conference Committee was to provide a good educational program. From the comments received, our goal was achieved.

I would like to thank the Conference Committee for their untiring work and creativity: Nancy Reingold, CAFM, Cay Pavlik, Nelson Beckett, Richard Haayen, Alva Logsdon, Richard Piper, Gary Marks, Pat Turner, Mike Mourain, Chris Hackett and Paul Markette.

I also want to mention that the Southwest Chapter appreciates the encouragement and support we received from the NAFA Officers and Trustees.

Finally, a well deserved thanks to the NAFA Staff for their attention to the countless details that go with putting on a meeting of this magnitude. The support they provided to the Committee was greatly appreciated.

The Conference was a particularly rewarding experience for me personally as I had the opportunity to work with so many people who dedicate their time to this profession. They are truly a group of industry professionals and deserve to be recognized for their time and talent.

Nominating Committee

Frank Kraus, Chairperson
NAFA Alumnus

A duly appointed Nominating Committee, consisting of Chairperson Kraus; Gerald Keenan, GAB Business Services Inc.; Susan Doyle, CAFM, Contel Material Management Co.; Windell Mitchell, King County Public Works; and Michael Cacak, University of Nebraska, submitted the following slate of Officers and Trustees to serve during the 1991-1992 term: President, Gordon B. West; First Vice President, Patsy Brownson, CAFM; Second Vice President, Charles J. Bruce, CAFM; Third Vice President and Chairperson of the National Board of Delegates, Kathe Rushford Carter; Vice President for Canada, W.R. "Ray" Nugent; Treasurer, James Anselmi; Secretary, Don Rittenhouse; Trustee (term expiring 1994), J. Paul Hubbard; Trustee (term expiring 1994), Janis Christensen.

Trustees remaining in terms are: Sal Giacchi, CFM/CAFM (term expiring 1992) and Sandra Klontz (term expiring 1993).

No nominations by petition were received.

Results of the 1991 Election of Officers and Trustees were not available at press time.

Independent Auditor's Report

J.H. Cohn & Company

We have audited the accompanying balance sheets of the National Association of Fleet Administrators, Inc. as of December 31, 1990 and 1989, and the related statements of revenue and expenses and changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Association of Fleet Administrators, Inc. as of December 31, 1990 and 1989, and its results of operations and cash flows for the years then ended, in conformity with generally accepted accounting principles.

Roseland, New Jersey
February 8, 1991

NAFA

A6755-1

The Magazine for Vehicle Management
May 1991

FOCUS ON SAFETY

Mr. Ed Kranka
Congressional Information Svc.
Department SRI
4520 East-West Highway
Bethesda MD 20814

Crusade for Safety
NAFA Safety Survey Results

For more than 30 years, the voice of fleet managers across the United States and Canada.

NAFA Fleet Executive

The Magazine for Vehicle Management

Volume 5, Number 5 *May 1991*

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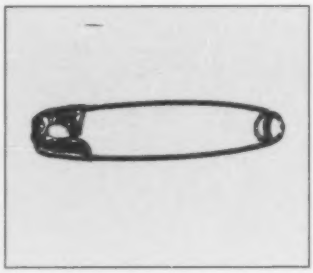

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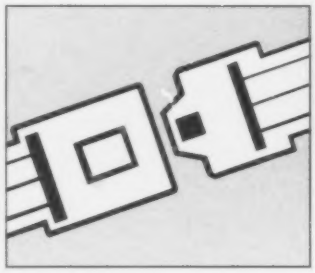

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A NAFA STUDY

Safety Belt Use Policies and Driver Safety Awareness Training of United States Fleets

Fleet safety practices are now being reviewed by the Occupational Safety and Health Administration (OSHA), thanks to an extensive survey conducted by NAFA. The U.S. agency will find data which demonstrates:

- An overwhelming number of responding fleets (78.2%) already require drivers to wear safety belts while operating vehicles on official business.
- The great majority of responding fleets (70.1%) do not provide mandatory driver safety awareness training for all individuals who drive regularly on official business.
- And much more.

At the request of OSHA representatives, a survey was conducted by NAFA to determine the frequency of certain safety-related practices of fleets operating in the United States. Questions focused on policies which require drivers to wear safety belts while operating vehicles on official business and on policies regarding any employer-provided driver safety awareness training. The questions were directed to obtaining information specifically requested by OSHA representatives during testimony of NAFA representatives at an administrative hearing in Washington, D.C. on January 14, 1991.

On January 22, 1991, NAFA mailed a one-page questionnaire to 1,583 Members who manage vehicle fleets in the U.S. By February 28, 1991, NAFA received responses from 766 fleets (a 48.4% response rate). The responding fleets included a total of 918,376 vehicles.

Here, the results of this exclusive study, and the report which has been submitted to OSHA.

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A NAFA STUDY *continued from page 11*

Safety Belt Use Policies

1. Some 78.2% of responding fleets already direct drivers on official business to wear safety belts.

More than three-fourths of responding fleets already require all drivers on official business to wear safety belts. Reporting such policies were 599 fleets (78.2%), with only 167 fleets (21.8%) without such policies today.

The percentage of fleets mandating safety belt use generally increases with the number of vehicles operated. The percentages of fleets reporting mandatory safety belt use are:

1-99 vehicles	67.6%
100-499	72.0
500-999	80.4
1000-1999	88.9
2000+	87.5

2. Only 33.6% of responding fleets which mandate driver safety belt use have an employer-imposed penalty for violation of the policy.

About one-third of the employers who require safety belt use impose a penalty on drivers who fail to obey the policy. Of the 599 fleets which have a mandatory belt use policy, 201 (33.6%) impose a penalty; 378 (63.1%) do not; and 20 (3.3%) did not reply.

Generally, the percentage of fleets imposing a penalty increases with the number of vehicles operated.

1-99 vehicles	26.1%
100-499	27.7
500-999	37.8
1000-1999	35.6
2000+	41.7

Quite a few respondents noted that they do not impose a penalty for non-use because (1) non-use if very difficult to discover in scattered fleet operations and (2) safety belt use is required by law in most jurisdictions.

Driver Training Programs

1. Only 30.5% of responding fleets require employer-provided driver safety awareness training for all employees who drive regularly on official business.

Fewer than a third of responding fleets provide driver safety awareness education for "all employees who regularly drive on official business." Only 229 of 750 fleets responding to this question (30.5%) provide such instruction, while 521 (69.5%) do not.

The percentages of fleets providing such instruction, by fleet size, are:

1-99 vehicles	18.2%
100-499	21.9
500-999	36.3
1000-1999	44.6
2000+	38.0

Some respondents commented that their employers do provide driver safety awareness training for some employees. These comments sometimes indicated that training was provided for drivers covered by the commercial drivers license regulations, but was not provided for sales, service or executive personnel. Because this survey was designed to determine if fleets are already providing driver safety awareness training to all routine drivers as contemplated by the OSHA proposal, this tabulation was based upon a fleet providing training for all routine drivers.

2. Only 4% of the fleets which have no driver safety awareness program terminated a previous program.

An overwhelming percentage of fleets which do not offer driver safety training have never provided such training. Of the 521 fleets which do not have such programs, only 21 (4.0%) had such programs in the past.

Because so few fleets eliminated driver safety programs, there is no tabulation by fleet size.

3. In-house instructors are the most popular method of providing training.

A total of 229 fleets reported the nature of instructors for their employer-provided driver safety awareness training. Because some employers utilize more than one type of instructor, multiple responses were occasionally given. Instruction was presented by:

In-house employees:	180 (78.6%)
Outside vendors:	65 (28.3%)
Videotape:	36 (15.7%)

Of *all* responding fleets, including those which do not provide such instruction, in-house instructors are used in 23.5%, outside vendors are used by 8.5%, and videotapes are used by 6.5%.

4. The most popular time period for providing driver safety training is

within the first 90 days of employment.

A total of 229 fleets described the timing of their instruction for drivers. Because some employers provide training at different times for different categories of drivers, multiple answers were occasionally given. Instruction was provided:

Before employment begins:
82 (35.8%)
Within 90 days:
122 (53.3%)
Occasionally, with other meetings:
50 (21.8%)

Of all responding fleets, including those which do not provide instruction, training is completed before employment by 10.7%, within 90 days by 15.9%, and on occasion and in conjunction with other meetings by 6.5%.

5. The most popular duration of training is four or more hours.

The 229 fleets which provided information on employer-provided driver safety awareness training indicated that such instruction generally lasts:

One hour or less	24 (10.5%)
Between 1-4 hours	59 (25.8%)
4 hours	40 (17.5%)
Longer than 4 hours	126 (55.0%)

Because training may be of different duration for different categories of drivers, multiple answers were given on occasion.

Many of the respondents who cited training lasting more than four hours indicated that this category included Commercial Driver License education, seminars of the National Safety Council, and instruction by companies which include behind-the-wheel sessions.

6. Driver safety awareness instruction usually includes vehicle familiarization, use of safety equipment, effects of alcohol and drugs, and safe driving practices.

Of the 229 fleets which reported employer-provided training, the following subjects were included:

Vehicle familiarization
177 (77.3%)
Use of safety belts
219 (95.6%)
Effects of alcohol, drugs
202 (88.2%)
Safe driving practices
229 (100%)

Impact on OSHA Proposal

1. Some 21.8% of responding fleets would have to change their current policy if OSHA were to require employers to mandate driver safety belt use while on official business.

A total of 599 respondents (78.2%) reported they already require drivers to wear safety belts while on official business.

2. Some 70.1% of fleets would have to change their current policy, if OSHA were to require any driver safety training for all employees who drive on official business.

Only 229 (29.9%) of the 766 responding fleets reported driver safety training already in place for employees who regularly drive on official business. It is very likely that, if OSHA were to require training for employees who drive only occasionally, a much larger percentage of fleets would be compelled to change their current policy.

3. Some 89.3% of fleets would have to change their current policy if OSHA were to require driver safety training before employment.

Only 82 (10.7%) of 766 fleets responded that they provide instruction prior to employment.

4. Some 73.4% of fleets would have to change their current policy if OSHA were to require driver safety training within the first 90 days of employment.

Only 122 fleets provide training within the first 90 days. If this 122 is added to the 82 fleets which provide pre-employment training, only 204 (26.6%) of the 766 fleets already meet this standard.

5. Some 78.3% of fleets would have to change their current policy if OSHA were to require driver safety training of four hours or more.

Only 40 fleets reported that existing programs last four hours, and only 126 reported programs lasting more than four hours. These 166 fleets are only 21.7% of all responding fleets. Actually, even more fleets could face changes because multiple answers were given for time periods; some fleets provide training of different duration for different classifications of employees.

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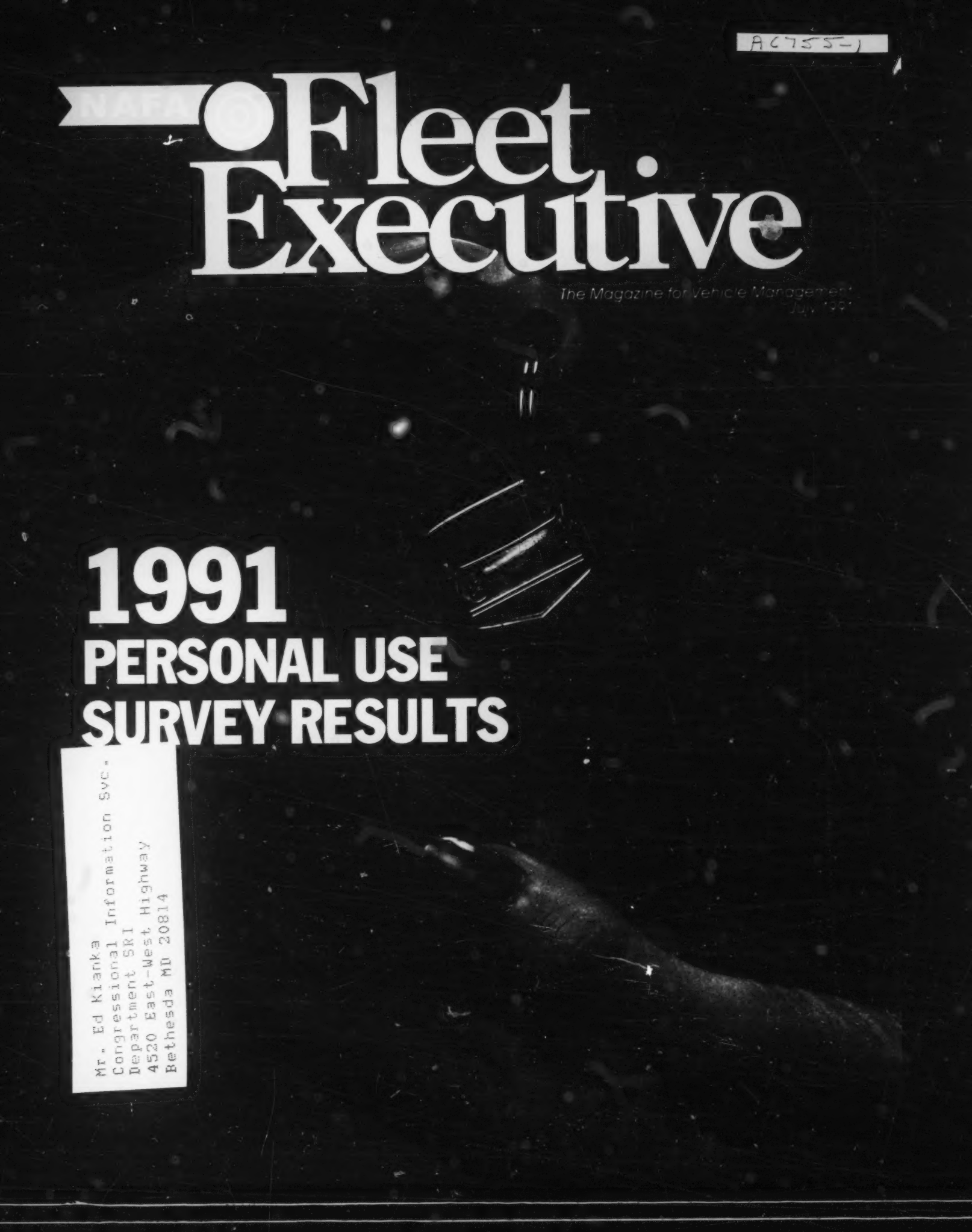
NAFA Fleet Executive

The Magazine for Vehicle Management
July '92



1991 PERSONAL USE SURVEY RESULTS

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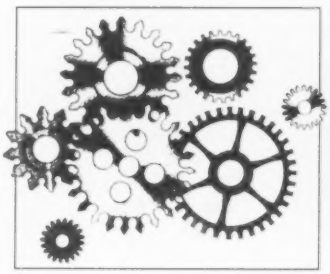

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NAFA's 1991

Personal Use SURVEY RESULTS

The Personal Use Survey, an annual NAFA study, explores NAFA Member fleets' policies and practices regarding the personal use of corporate, government and public utility fleet vehicles. The results of the survey are published to enable fleet managers to compare their own personal use policies and practices with those of other fleets.

Two questionnaires (one for U.S. fleets and the other for Canadian) were mailed to all NAFA Members. By March 23, 1991, a total of 490 responses were received—405 from the U.S. and 85 from Canada—representing 28% of the Membership.

The following report is presented differently than it has been in the past. He figures represent four categories—corporate, public utility, government and other. Corporate is made up of fleet managers in the following industries: drugs and cosmetics, chemicals and petroleum, communication, food and beverage, industrial manufacturing, service organization, insurance, consumer manufacturing, banking/finance and electronics.

During the data entry and tabulation process, the data were "cleaned" to assure reliability. For example, if a respondent indicated that his/her fleet did not permit personal use of fleet vehicles and then answered the questions relevant to personal usage (e.g., miles driven, charges for personal use, how charges are collected), it was assumed that the fleet does allow personal use. Also, for example, if a respondent indicated excessive mileage per month (12,000), it was assumed that this was per year and the response was adjusted accordingly.

NAFA extends its thanks to those who took the time to complete the questionnaire. Here's what your answers indicated.

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1991 Personal Use Survey-At-A-Glance

United States

- Average fleet vehicle driven 2,024 miles each month. Personal use accounts for 350 miles, or 18%.
- Personal use of a company-owned vehicle is allowed by 85% of survey respondents.
- Personal use of a company-owned vehicle is allowed at all times by 88% of respondents.
- Employee's spouse is permitted personal use of a company-owned vehicle by 78% of respondents.
- Employee's licensed children are permitted personal use of a company-owned vehicle by 27% of respondents.
- 74% of respondents do not charge employees any portion of repair costs resulting from accidents during personal use of a company-owned vehicle.

Canada

- Average fleet vehicle driven 2,821 kilometers each month. Personal use accounts for 532 kilometers, or 19%.
- Personal use of a company-owned vehicle is allowed by 89% of survey respondents.
- Personal use of a company-owned vehicle is allowed at all times by 96% of survey respondents.
- Employee's spouse is permitted personal use of a company-owned vehicle by 97% of respondents.
- Employee's licenced children are permitted personal use of a company-owned vehicle by 58% of respondents.

PERSONAL USE SURVEY RESULTS

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Number Of Owned And Leased Vehicles

	U.S.			Canada		
	Owned	Leased	Total	Owned	Leased	Total
All Fleets	259,813	265,520	525,333	21,239	20,034	41,273
Corporate	128,060	210,845	338,905	3,805	16,260	20,065
Public Utility	29,750	17,719	47,469	993	974	1,967
Government	69,183	1,686	70,869	15,701	1,182	16,883
Other	32,820	35,270	68,090	740	1,618	2,358

Does Your Company Allow Personal Use Of A Fleet Vehicle by Employees?

	U.S.		Canada	
	% Yes	% No	% Yes	% No
All Fleets	85	15	89	11
Corporate	95	5	97	3
Public Utility	54	46	100	0
Government	36	64	13	87
Other	80	20	100	0

Fleet managers who answered NAFA's 1991 Personal Use Survey represent 28% of the Membership and control 566,606 vehicles—281,052 of which are company-owned and 285,554 of which are leased.

Eighty-five percent of U.S. respondents indicated that personal use of a company vehicle is allowed by employees; in Canada, that figure is 89%.

In the U.S., the average fleet vehicle is driven 2,024 miles per month, out of which 350 miles, or 18%, are for personal use. The average fleet vehicle in Canada is driven 2,821 kilometers each month, of which 532, or 19%, are for personal use.

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How Many Miles/Kilometers Per Month Is Your Typical Fleet Vehicle Driven?

	U.S.	Canada
All Fleets	2,024	2,821
Corporate	2,087	2,841
Public Utility	1,478	1,900
Government	1,318	3,500
Other	2,022	2,818

PERSONAL USE SURVEY RESULTS

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How Many Miles/Kilometers Of This Is For Personal Use?

	U.S.	Canada
All Fleets	350	532
Corporate	352	525
Public Utility	568	0
Government	131	945
Other	346	524

How Do You Determine The Fair Market Value Of Your Vehicles That Employees Drive For Personal Use? *

1 = Cost of vehicle
2 = Cost of vehicle less sales tax
3 = Cost of vehicle less incentives
4 = Add 4% to cost (safe harbor)
5 = Other

	% 1	% 2	% 3	% 4	% 5
All Fleets	54	5	7	14	20
Corporate	55	5	8	15	17
Public Utility	59	8	8	0	25
Government	42	8	0	0	50
Other	43	3	5	19	30

* U.S. only

Personal Use Allowed

In the U.S., 85% of our respondents allow personal use of a company-owned or leased vehicle. In Canada, the figure is slightly higher at 89%. For the most part (an average of 94%), no maximum limits have been set for the amount of miles or kilometers an employee may put on a vehicle for personal use. For those indicating that they do impose a maximum, the average amount in the U.S. is 564 miles per month; in Canada it is 1,000 kilometers per month.

A large number of respondents (88%) said that personal use is allowed at all times, a figure which has not changed since 1990.

Fair Market Value

Only our U.S. Members were asked how they determine the fair market value of vehicles that employees drive for personal use. Cost of vehicle accounted for 54% of the responses (up last year from 46%), while 14% add 4% to cost (safe harbor)—down from last year's 18%.

Who Else Uses the Vehicle?

"No one," said 19% of U.S. respondents and 16% of Canadians. Employee spouses are permitted use of company vehicles (78% in U.S.; 97% in Canada). In the U.S., 27% of respondents indicated that their licensed children were permitted personal use of a company vehicle. Survey responses indicated that Canadian policies are more lenient (58% allow children).

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PERSONAL USE SURVEY RESULTS

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Under Which Conditions May A Fleet Vehicle Be Driven For Personal Use?

1 = At all times / whenever necessary
2 = Only to and from work
3 = Only while working
4 = Only on weekends and holidays
5 = Only on vacations
6 = Other

	% 1	% 2	% 3	% 4	% 5	% 6
			U.S.			
All Fleets	88	7	#	1	#	4
Corporate	93	3	#	#	#	3
Public Utility	69	23	0	0	0	8
Government	27	66	0	0	0	7
Other	82	5	0	3	0	10
# Less than 0.5% of respondents						
			Canada			
All Fleets	96	0	0	0	0	4
Corporate	98	0	0	0	0	2
Public Utility	50	0	0	0	0	50
Government	100	0	0	0	0	0
Other	91	0	0	0	0	9

Do companies have a policy stating a minimum age requirement for persons other than employees to drive a fleet vehicle for personal use? About half—55% in the U.S. and 51% in Canada—do not. Of those that do have such a policy, 24% of U.S. respondents said that the minimum age requirement is 21-24; in Canada, 16% said that the driver must be 18-20 years of age.

Charging for Personal Use

Because 86% of U.S. respondents and 75% of Canadian respondents indicated that employees are charged for personal use of a fleet vehicle, we asked them how they determine what to charge, how the employees are charged, how much they are charged and how those charges are collected.

Of our U.S. respondents, 38% indicated they use annual lease value to determine what to charge, while 20%

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PERSONAL USE SURVEY RESULTS

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use an average cents per mile expense. In Canada, the figures are about the same. Almost half (47%) of U.S. respondents charge employees an average of $.21 per mile. Canadian fleet managers who responded to this survey do things differently than their American counterparts. Almost half, or 46%, charge employees through a payroll deduction for taxable benefits, which averaged $129.00 per month.

No Assigned Vehicle

Do employees with no assigned fleet vehicles use personal vehicles for business? "Yes," say 87% of U.S. respondents and 95% of Canadians. About 83% of these employees in the U.S. and Canada are reimbursed with a per mile, or kilometer, rate.

When an assigned vehicle is inoperable, an employee's personally owned vehicle is authorized for use by 82% of our U.S. respondents. These employees are reimbursed with a per mile rate (96%). Canadian respondents (85%) prefer to issue a rented vehicle in such a case.

Are Employees Charged For Personal Use Of A Fleet Vehicle?

	U.S.	
	% Yes	% No
All Fleets	86	14
Corporate	89	11
Public Utility	92	8
Government	43	57
Other	81	19
	Canada	
All Fleets	75	25
Corporate	81	19
Public Utility	50	50
Government	0	100
Other	50	50

Note: Some fleets do not permit personal use.

Who, Besides the Employee, Is Allowed To Use A Company Vehicle For Personal Use? *

1 = No one
2 = Employee's spouse
3 = Employee's licensed children
4 = Other

	U.S.			
	% 1	% 2	% 3	% 4
All Fleets	19	78	27	6
Corporate	13	85	29	6
Public Utility	46	46	31	8
Government	100	0	0	0
Other	28	67	18	10
	Canada			
All Fleets	16	97	58	18
Corporate	16	100	63	21
Public Utility	50	50	50	50
Government	0	100	0	0
Other	9	91	36	0

* Respondents could choose more than one

How Do You Determine What To Charge Employees For Personal Use Of A Fleet Vehicle?

1 = Annual lease value
2 = Average cents per mile expense
3 = Total fleet average
4 = Other

	% 1	% 2	% 3	% 4
U.S.				
All Fleets	38	20	9	33
Corporate	39	21	10	30
Public Utility	33	25	0	42
Government	0	29	0	71
Other	42	9	6	43
Canada				
All Fleets	35	20	11	34
Corporate	33	20	10	37
Public Utility	0	50	0	50
Government	0	0	0	0
Other	75	0	25	0

How Are U.S. Employees Charged For Personal Use And How Much?

1 = Per mile charge
2 = Flat weekly charge
3 = Flat monthly
4 = Combination per mile/flat charge
5 = Graduated scale
6 = Other

	% 1	% 2	% 3	% 4	% 5	% 6
All Fleets	47	8	29	15	#	#
Corporate	46	7	32	14	#	#
Public Utility	58	17	0	25	#	#
Government	67	33	0	0	#	#
Other	46	4	21	29	#	#

Less than 0.5% of respondents

Average charges for all U.S. Fleets:
$.21 per mile
$16.00 per week
$73.00 per month
Combination per mile/flat charge:
$.12 per mile and $14.00 per week or $73.00 per month

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PERSONAL USE SURVEY RESULTS

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How Are These Charges Collected? *

1 = Expense report
2 = Salary deduction
3 = Other

	U.S.		
	% 1	% 2	% 3
All Fleets	44	46	19
Corporate	48	46	18
Public Utility	8	75	17
Government	0	71	29
Other	43	33	30
	Canada		
All Fleets	66	63	2
Corporate	62	70	2
Public Utility	9	0	0
Government	100	0	0
Other	50	75	0

* Respondents could choose more than one

Is Any Portion Of Repair Costs Resulting From Accidents During Personal Use Charged To Employees?

	U.S.		Canada	
	% Yes	% No	% Yes	% No
All Fleets	26	74	54	46
Corporate	28	72	55	45
Public Utility	0	100	0	100
Government	6	94	100	0
Other	29	71	43	57

How Are CanadianEmployees Charged For Personal Use And How Much? *

1 = Payroll deduction for taxable benefits
2 = Per kilometer charge
3 = Flat weekly charge
4 = Flat monthly charge
5 = Combination per kilometer/flat charge
6 = Graduated scale

	% 1	% 2	% 3	% 4	% 5	% 6
All Fleets	46	20	5	24	5	*
Corporate	44	18	6	26	6	*
Public Utility	0	100	0	0	0	*
Government	0	0	0	0	0	*
Other	75	25	0	0	0	*

* Zero respondents

Average charges for all Canadian Fleets:
Payroll deduction for taxable benefits: $129.00 per month
Per kilometer charge: $.09
Flat weekly charge: $21.00
Flat monthly charge: $55.00
Combination per kilometer/flat charge:
$.08 per kilometer and $63.00 per month.

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How Are Employees With No Assigned Fleet Vehicles Reimbursed For Business Use Of A Personally Owned Vehicle?

1 = Per mile rate
2 = Flat weekly rate
3 = Flat monthly rate
4 = Combination per mile/kilometer–flat rate
5 = Graduted scale
6 = Other

	% 1	% 2	% 3	% 4	% 5	% 6
All U.S. Fleets	85	1	4	8	2	0
Corporate	85	1	4	8	2	0
Public Utility	76	0	0	24	0	0
Government	88	3	3	3	3	0
Other	88	0	5	5	2	0
All Canadian Fleets	82	0	6	1	11	0
Corporate	83	0	7	2	8	0
Public Utility	0	0	0	0	100	0
Government	75	0	0	0	25	0
Other	91	0	9	0	0	0

Do Any Of Your Employees With No Assigned Fleet Vehicles Use Personally Owned Vehicles For Business?

	U.S.		Canada	
	% Yes	% No	% Yes	% No
All Fleets	87	13	95	5
Corporate	87	13	95	5
Public Utility	87	13	100	0
Government	83	17	100	0
Other	91	9	91	9

Who Gets a Vehicle?

Job function plays an important part in the decision to issue a company vehicle. Sixty-four percent of U.S. respondents and 82% of Canadians indicated job function as the most important factor. Job title was next (56% U.S., 70% Canadian), followed by annual business miles driven (39% U.S. respondents) and fringe benefit (38% Canadian Respondents).

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PERSONAL USE SURVEY RESULTS

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Within The Past Two Years, Has the Internal Revenue Service Conducted An Audit Of Your Company Or Organization Which Included Your Fleet's Personal Use Policies?

	% Yes	% No	% Don't Know
All U.S. Fleets	5	63	32
Corporate	7	62	31
Public Utility	0	48	52
Government	0	76	24
Other	2	65	33

How Are Employees Reimbursed For Business Use Of A Personally Owned Vehicle When An Assigned Fleet Vehicle Is Inoperable?

1 = Per mile/kilometer rate
2 = Flat weekly rate
3 = Flat monthly rate
4 = Combination per mile/kilometer – flat rate
5 = Graduated scale
6 = Other

	% 1	% 2	% 3	% 4	% 5	% 6
All U.S. Fleets	96	1	#	1	2	0
Corporate	96	1	#	1	2	0
Public Utility	95	0	0	5	0	0
Government	97	0	0	0	3	0
Other	98	0	0	2	0	0
# Less than 0.5% of respondents						
All Canadian Fleets	0	0	0	17	83	0
Corporate	0	0	0	25	75	0
Public Utility	0	0	0	0	0	0
Government	0	0	0	0	100	0
Other	0	0	0	0	100	0

Who Pays for Repairs?

For the most part, employees do not pay any portion of repair costs resulting from accidents during personal use (74% U.S., 46% Canada). In cases where employees are charged repair costs, 46% in the U.S. and 57% in Canada charge the insurance deductible.

Summary

The personal use data gathered by NAFA provides fleet managers with a detailed history surrounding the complex issue of personal use of company vehicles and business use of personal vehicles.

Figures for allowing personal use have remained at just under 90%. Charging for personal use has stayed about the same (84% in 1990, 86% 1991) in the U.S., but has increased in Canada (64% charged for personal use in 1990; 75% in 1991).

If An Assigned Vehicle is Inoperable, What Means Of Transportation Are Authorized? *

1 = Employee's personally owned vehicle
2 = Pool vehicle
3 = Rented vehicle
4 = District manager's vehicle
5 = Other

	U.S.				
	% 1	% 2	% 3	% 4	% 5
All Fleets	82	67	81	17	7
Corporate	84	60	92	18	7
Public Utility	78	91	52	13	9
Government	70	100	15	6	6
Other	84	65	79	19	7
	Canada				
All Fleets	27	48	85	11	6
Corporate	30	45	92	10	5
Public Utility	0	100	50	0	0
Government	25	75	75	38	13
Other	18	36	64	0	9

* Respondents could choose more than one

What Factors Govern Assignment Of Fleet-Provided Vehicles? *

1 = Annual business miles/kilometers driven
2 = Fringe benefit
3 = Job title
4 = Job function
5 = Other

	% 1	% 2	% 3	% 4	% 5
All U.S. Fleets	39	20	56	64	6
Corporate	41	19	58	60	5
Public Utility	42	17	42	71	4
Government	33	20	52	83	13
Other	30	28	55	68	6
All Canadian Fleets	0	38	70	82	5
Corporate	0	44	69	82	3
Public Utility	0	50	50	100	0
Government	0	14	57	71	14
Other	0	18	82	82	9

* Respondents could choose more than one

Within The Past Two Years, Has Revenue Canada Conducted An Audit Of Your Company Or Organization Which Included Your Fleet's Personal Use Policies?

	% Yes	% No	% Don't Know
All Can. Fleets	15	66	19
Corporate	17	69	14
Public Utility	50	50	0
Government	13	74	13
Other	0	45	55